

## **AGREEMENT FOR HOUSING PRODUCTION AND HOMEOWNERSHIP**

**THIS AGREEMENT** is entered into this 15<sup>th</sup> day of September, 2004 by and between Town of Blacksburg, hereinafter referred to as the “Town”, and Community Housing Partners Corporation, a Virginia corporation located in Christiansburg, Virginia, hereinafter referred to as “Developer”.

### **RECITALS**

The Virginia Department of Housing and Community Development has awarded the Town Community Development Block Grant funding, in the form of a Community Improvement Grant in the amount of \$500,000 in support of the Town’s Roanoke-Lee Street Comprehensive Neighborhood Improvement Project, Phase I .

Phase I of the Project includes the acquisition of up to six parcels of land in the Project Area for new housing construction.

Developer submitted a Proposal in response to the Town’s Request for Proposals, detailing how Developer would construct up to fourteen new dwelling units on the land acquired by the Town in Phase I of the Project.

The Town wishes to enter into this Development Agreement with the Developer.

### **DEFINITIONS**

**Acquired Properties** shall mean those properties identified by the Town within the Project Area to which Developer obtains fee simple title under the terms of this Agreement. This term does not include areas acquired by the Town for right-of-way or public utility facilities, even if acquired from the Developer from the lots it purchases.

**Affordable** shall mean eligible under Community Development Block Grant guidelines.

**Affordability period** shall mean a period of ten (10) years beginning on the date the lot is conveyed from the developer to the first LMI buyer.

**Applicable laws** shall mean generally any federal, state, or local law which applies to any aspect of Developer’s obligations under this Agreement; without limiting the generality of the foregoing, “applicable laws” includes those state and federal laws, regulations, executive orders, circulars, memoranda, guidelines and standards that pertain and apply to Community Development Block Grant funding and Community Improvement Grant funding, and set forth in detail in the Agreement between the

VDHCD and the Town dated December 19, 2003; and those federal, state and local laws that apply to building demolition and new home construction, including but not limited to laws pertaining to the handling of asbestos, the Virginia Uniform Statewide Building Code, the Blacksburg Zoning Ordinance, and the Blacksburg Code.

**CDBG funds** shall mean Community Development Block Grant funds, including Community Improvement Funds as authorized by the Commonwealth of Virginia.

**Construct** shall mean to build a structure and to obtain a Certificate of Occupancy from the Building Code Official for residential occupancy of the structure.

**Cost of the lot** shall mean the actual price of the land acquired, and not to include costs incident to lot acquisition, such as attorney's fees, recording costs, or other closing costs.

**Developed lots** shall mean the acquired lots, after any subdivision that may be necessary, upon which the demolition of existing structures and the construction of new, affordable, single-family housing is complete.

**Developer** shall mean the Community Housing Partners Corporation.

**Effective date** shall mean September 15, 2004.

**Lee Street lots** shall mean identified portions of two existing, contiguous lots that lie between Lee and Prospect Streets, as described in the Project. The lots are currently identified by tax map numbers 257-12 1 and 257-12 2.

**Lot** shall mean a parcel of land intended to be separately owned, developed or otherwise used as a unit, established by plat, subdivision or as otherwise permitted by law.

**Low to Moderate Income (LMI) Qualified Person or Household** shall be persons or families whose family or household income is at or below eighty percent of the Montgomery County, Virginia average median income as defined by the U.S. Department of Housing and Urban Development.

**MAI** shall mean Member Appraisal Institute.

The **Project** shall mean the Roanoke-Lee Street Comprehensive Neighborhood Improvement Project, Phase I, which is approved and funded by the Virginia Department of Housing and Community Development by agreement dated December 19, 2003 (Contract #03-07.)

The **Project Area** shall mean the area depicted in the Project.

**Purchase** shall mean to identify the owner of record of any legal interest in lot, negotiate an acceptable price for the acquisition of a fee simple interest from that owner, and obtain and record legal fee simple title to the lot in a closing, free of any and all recorded liens,

judgments, deeds of trust, or other legal interests in the lot, except for easements of record.

**Roanoke Street lots** shall mean two existing lots that front on Roanoke Street, tax map numbers 227-A-35 and 227-A- 49.

**Single family dwelling** shall mean a site built building, conforming to the standards in the United States Department of Housing and Urban Development Housing Quality Standards and the Virginia Uniform Statewide Building Code, designed for or used exclusively as one dwelling unit for permanent occupancy, which is surrounded by open space or yards on all sides, is located on its own individual lot, and which is not attached to any other dwelling by any means. A modular home is not included in this definition. A manufactured home is not included in this definition.

**Subdivision** or **subdivide** shall mean to divide any tract, parcel or lot of land into two (2) or more parts for the purpose, whether immediate or future, of transfer of ownership or building development, and including all changes in street or lot lines. This term includes a lot line adjustment or the resubdivision of an existing lot. A subdivision must be accomplished in compliance with the Blacksburg Subdivision Ordinance.

The **Town** shall mean the Town of Blacksburg, Virginia.

**Town's investment** shall mean the financial contribution made by the Town to the acquisition, development and sale of each property acquired hereunder. The financial contribution shall include all expenses incurred by the Town with respect to the Land Acquisition task of the Community Improvement Grant, including but not limited to funds contributed to defray the purchase price of Acquired Properties and funds expended for the construction of public streets and utility facilities. Without limiting the generality of the foregoing, the Town's investment includes funding from every source, including the Town's own General Fund, its Enterprise Funds, the Community Improvement Grant, and any other funding or in-kind contributions received by the Town and invested by it in the Land Acquisition activity.

**Two family dwelling** shall mean the use of an individual lot for two dwelling units that share at least one common wall that separates living space (i.e. living room, kitchen, bedroom, bathroom, etc.) a common example of which is a duplex. Each dwelling unit may be vertically stacked. The exterior appearance of the whole resembles a single structure.

**VDHCD** shall mean the Virginia Department of Housing and Community Development.

**Water and Sewer Connection Fees** are fees ordinarily charged by the Town for the privilege of connecting to the public water or sewer system. The water connection fee is set forth in more detail in Blacksburg Code section 24-301. The sewer connection fee is set forth in more detail in Blacksburg Code section 18-201. The Blacksburg Town

Council may raise or lower water and sewer connection fees from time to time, in its sole discretion.

## **AGREEMENT**

In consideration of the mutual promises and undertakings of the parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Developer and the Town hereby agree as follows:

### **A. The Town agrees to:**

1. Identify four vacant and/or developed lots within the Project Area for acquisition and development or redevelopment as single family or two-family homes for Low to Moderate Income (LMI) people, as detailed in the Project application.
2. Obtain an MAI certified appraisal of each of the lots intended for acquisition, if required by applicable laws, and either (a) the Montgomery County Commissioner of Revenue's confirmation of the appraised value, or (b) a second certified review and confirmation of the appraised value, in conformance with VDHCD regulations.
3. Assist Developer in acquiring each of the lots. In the alternative, and in the interests of time, the Town may negotiate contracts to purchase the Lee Street lots, upon such contingencies as may be appropriate, in the Town's sole discretion. In this event, the Town agrees to assign the contracts to Developer promptly upon the execution of this Agreement. The Town agrees to contribute money to defray the cost of each lot, up to a total maximum contribution of two hundred six thousand one hundred seventy-five dollars (\$206,175.) The Town's payment shall be made per "Disbursements," below. In no event shall the Town's contribution exceed the appraised value or the purchase price of the lot.
4. Assist Developer with the cost of demolition of the existing structure at 508 Roanoke Street, by contributing five thousand dollars (\$5,000) to defray the cost of demolition. The Town will pay the Developer this sum, upon completion of the demolition, within thirty days of receiving the invoice therefore.
5. Retain competent legal counsel to handle the contracts to purchase each lot, and to handle the closing for each purchase and the subsequent sale of each lot to an LMI buyer. The Town agrees to contribute a maximum of seven hundred fifty dollars (\$750.00) to defray attorney's fees related to each acquisition and sale. The Town will pay this money directly to the closing attorney at the time of closing on each lot.

6. Act as Developer's Agent in applying for and obtaining subdivision approval of the Acquired Properties, consistent with the Project goals.
7. Waive water and sewer connection fees for new homes constructed by Developer on the acquired properties.
8. Review and approve or disapprove the LMI qualified status of each potential purchaser of one of the lots.
9. Pay \$3,000 in down payment and closing costs assistance to each of the LMI qualified household purchasers of new homes constructed by Developer on the acquired properties, up to a maximum total contribution of \$42,000. These monies will be paid directly to each closing agent at the time of the purchase of the property.

**B. Developer agrees to:**

1. Designate its Project Manager as responsible for coordination of all activities of Developer through this agreement. The Developer shall provide administrative, management and related services as are required to carry out the requirements of this Agreement and the construction of the new, affordable residential units.
2. Identify all of the tasks to be performed under this contract including a schedule for completing each task and a budget for each house to be constructed and provide said task list, schedule and budget for Town staff review and approval prior to the commitment of Town resources to the unit.
3. Use commercially reasonable efforts to obtain investment and/or debt financing in amounts sufficient to cover the costs that the Developer will incur in acquiring properties, site preparation, and constructing the houses under terms and conditions acceptable to Developer. If the Developer has not obtained such project funding within ninety days from the effective date of this Agreement, then the Town may terminate this Agreement by delivery of written notice thereof to the Developer. If the Town does not exercise such termination right, then this Agreement shall continue and the Developer shall be required to continue using commercially reasonable efforts to obtain such project funding.
4. On or before December 31, 2004, purchase the Lee Street lots, as designated by the Town, for the Project, following the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4651 *et seq.*, and the Uniform Relocation Assistance Act, 42 U.S.C. 4621 *et seq.* as amended.

5. Within one year from the Effective Date of this Agreement, purchase the Roanoke Street lots, as designated by the Town, for the Project, following the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4651 *et seq.*, and the Uniform Relocation Assistance Act, 42 U.S.C. 4621 *et seq.* as amended.
6. Apply funds contributed for lot purchase by the Town to the purchase price of the lots at the closing on the lot. Grant the Town a deed of trust, in no less than second priority behind the primary lender's deed of trust, securing the Town's investment in each lot, as purchased. The Town Attorney shall approve the form of the deed of trust. The deed of trust shall include provisions relating to the development of affordable housing, and to the sale, ownership and occupancy of the property by a qualified homebuyer, for a specified affordability period.
7. Immediately upon the purchase of the Lee Street Lots, or immediately upon obtaining a contract to purchase the Lee Street lots, appoint the Town its agent for the purpose of subdividing the lots, and cooperate with the Town in obtaining the subdivision of the lots.
8. Immediately upon the purchase of the Roanoke Street Lots, or immediately upon obtaining a contract to purchase the Roanoke Street lots, appoint the Town its agent for the purpose of subdividing the lots, and cooperate with the Town in obtaining the subdivision of the lots.
9. Within ninety (90) days of the effective date of this Agreement, prepare designs for the construction of new affordable single-family residential units, and submit them to the Blacksburg Historic Design Review Committee for its advisory review. Developer shall select and employ an architect to design the houses. The architect shall be a registered architect or architectural firm that has experience in designing affordable housing and shall have a good reputation in the industry.
10. Upon acquisition of each property, record the deed conveying title to the Developer. Contemporaneously with the recordation of this deed, or as soon thereafter as practicable, record restrictive covenants on the property that will ensure its future use as affordable housing. Assist the Town in drafting restrictive covenants that will realize the affordability goals of the Project, maximize the value of the public investment, and promote the marketability of the residential units.
11. Upon acquisition of the properties, the Developer shall promptly complete all site preparation requirements, including the demolition of all existing buildings and structures, if any, on the acquired properties and the removal of the same therefrom, in compliance with all applicable laws.
12. Upon recordation of the final subdivision plat, dedicate to the Town free of charge any and all rights-of-way, utility easements, construction easements, open space,

and other lands or interests in lands required by the Town either in satisfaction of its subdivision requirements or in furtherance of its obligation to build a public road and public facilities for the Project.

13. Commence construction of the dwelling units on the Lee Street properties within 180 days of their acquisition.
14. Commence construction of the dwelling units on the Roanoke Street properties within 12 months of their acquisition.
15. The Developer shall construct twelve (12) new, affordable two-family dwelling units within 18 months of this contract date. If additional property is acquired, per this contract, the Developer shall construct two additional new single-family affordable dwelling units by December 31, 2006. Developer is responsible for obtaining a building permit, required building inspections, and a certificate of occupancy for each dwelling unit. The Developer agrees that construction shall be of good quality and shall be made in a workmanlike manner consistent with industry standards. The Developer agrees to supervise and direct the construction of the single-family residential units using its best skill and attention, and agrees that it shall be solely responsible for all construction methods, techniques and procedures.
16. During construction of each new single-family residential unit, the Developer shall keep the property clean and in good order, free of trash and construction debris. If the Developer fails to do so, the Town may issue a written warning to the Developer identifying the section of the property that the Developer has failed to maintain as set forth herein. If the Developer does not correct the condition within five (5) days of its receipt of such written notice, the Town may clean the property and charge Developer for all its costs and expenses incurred therein. If the Developer does not make payment for such charges within ten (10) days of the Town's written demand thereof, the Town shall have the right to take any and all collection actions it deems appropriate.
17. Promptly discharge at its own cost and expense (either by payment or by filing of the necessary bond, or otherwise) any mechanic's, materialmen's or other lien against the acquired properties (or any of them) whether or not such lien is valid or enforceable as such, that may arise out of any payment due for, or purported to be due for, any construction and development work or any other labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the development of the acquired properties.
18. No later than upon approval of the house design by the Blacksburg Historic and Design Review Committee, use commercially reasonable efforts to actively market each house and to obtain commitments from LMI persons or households to purchase the properties, under terms consistent with this Agreement. The Developer shall keep the Town apprised of the status of all negotiations and the

identity of prospective purchasers. The proposed sales price of each unit shall be submitted to the Town staff for review and approval.

19. Maintain each property free from any liens of mechanics, artisans, laborers, materialmen, contractors or subcontractors, or to any other liens or charges whatsoever arising out of any construction and development work or arising in any other manner in connection. Developer is hereby expressly prohibited from subjecting the acquired lots or parcels to any such liens or charges.
20. Sell the fee simple interest in each developed lot to an LMI person or household. The Town will have the authority to (and must) verify the LMI and income status of each proposed buyer prior to the closing of the sale/purchase.
21. Arrange purchaser permanent financing for each residential unit.
22. Structure all mortgage and deed of trust agreements that convey the developed lots to the eligible homebuyers to contain a provision, approved by the Town, to enforce an affordability period adjusted for the amount of Town and/or CDBG funds invested in accordance with federal regulations governing CDBG funds. The applicable affordability period shall commence on the date on which the property is conveyed from Developer to the eligible homebuyer.
23. Warrant each home for a period of one year as required by Virginia law and CDBG regulations.
24. The Developer shall carry comprehensive general liability insurance insuring the Town and the Developer against any and all liability for injury to or death of a person or persons and for damage to property in any way occasioned by or arising out of the activities of the Developer or the Town and their respective agents, contractors or employees, in connection with the activities called for in this Agreement, in the amount of One Million Dollars (\$1,000,000) for property damage and for bodily injury or death of persons, or in such larger amounts as may be reasonably required by the Town. The Developer may procure and maintain a "blanket" All Risk policy to satisfy the requirements of this section, which may cover other property or locations of the Developer and its affiliates and/or the affiliates of a member of Developer.
25. Policy Requirements. The following general requirements shall apply to all insurance coverage carried by the Developer pursuant to Section 21 hereof

Waiver of Subrogation. To the extent available, each policy shall contain a clause whereby the insurer waives all rights of subrogation against the Town.

Additional Insured. The Town shall be named as additional insured in all such policies.



Financially Sound Company. Such policies shall be procured from financially sound and reputable insurers licensed to do business in the Commonwealth of Virginia that have an A.M. Best rating of not less than A-8 or, if not rated with A.M. Best, the equivalent of A.M. Best's surplus size of A-8 (or otherwise approved by the Town).

Certificates of Insurance. The Developer shall deliver to the Town policies or certificates of insurance evidencing such coverage before commencement of construction.

Replacement Certificates of Insurance. Within thirty (30) days before expiration of coverage, or as soon as practicable, renewal policies or certificates of insurance evidencing renewal and payment of premium shall be delivered by the Developer to the Town.

Non-Cancelable Without Notice. The coverages shall be non-cancelable unless the carrier gives to the Town thirty (30) days' prior written notice of cancellation.

26. The Developer and/or its affiliates are and shall be in exclusive control of the Acquired Properties, and the Town shall not in any event whatsoever be liable for any injury or damage to any person or property happening on, in, about or in connection with the Acquired Properties or any part thereof. The Developer shall indemnify, defend and hold the Town and all entities claiming by, through or under the Town harmless from and against all claims, suits, actions and proceedings whatsoever which may be brought or instituted on account of, growing out of, occurring from, incident to or resulting from, directly or indirectly, any and all injuries or damages (including, without limitation, death) to persons or property arising out of the use, development, ownership and occupation of the Acquired Properties, including, without limitation, any liability under Applicable Laws, and all losses, costs, damages and expenses (including, without limitation, reasonable attorneys' fees and other costs of defending against such claims, suits, actions and proceedings), whether or not such injuries or damages (including, without limitation, death) result from, or are claimed to have resulted from, in whole or in part, the negligence of the Town or any entity claiming by, through or under the Town. The Developer shall assume on behalf of the Town and all entities claiming by, through or under the Town, and conduct with due diligence and in good faith, the defense of all such claims, suits, actions and proceedings against the Town or any entity claiming by, through or under the Town, whether or not the Developer is joined therein, even if such claims, suits, actions or proceedings be groundless, false or fraudulent, and the Developer shall bear the costs of all judgments and settlements in connection therewith; provided, however, without relieving the Developer of the Developer's obligations under this Agreement, the Town or any entity claiming by, through or under the Town may defend or participate in the defense of any or all of such claims, suits, actions or proceedings. Maintenance of the insurance referred to in this Agreement shall not affect the obligations of the Developer under this Agreement, and the limits of

such insurance shall not constitute a limit on the liability of the Developer under this section.

28. The Developer shall maintain such workers' compensation insurance as may be required pursuant to the laws of the Commonwealth of Virginia, and shall indemnify and hold the Town and all entities claiming by, through or under the Town harmless from and against all claims, suits, actions and proceedings whatsoever which may be brought by the Developer's employees and statutory employees, as determined under the workers' compensation laws of the Commonwealth of Virginia.
29. The Developer shall ensure that each contractor (including the Contractor) and subcontractor performing work on the Project shall obtain and maintain, for the duration of such work, such workers' compensation insurance as may be required pursuant to the laws of the Commonwealth of Virginia.
30. Retain legitimate return on the investment of Town and/or CDBD funds in this project to use for CDBD-eligible activities.
31. Provide all personnel, equipment and materials necessary to construct the units as may be necessary to carry out completely, satisfactorily and in a timely manner the objectives of this agreement.
32. Conduct and complete all project activities including documentation, administration, and operations in accordance with current applicable law.

#### **C. OTHER PROGRAM REQUIREMENTS**

1. Developer assures no person shall be discriminated against on the basis of race, color, religion, sex or national origin in any phases of employment or client service by its organization, subsidiary corporations, contractors or vendors.
2. Developer will practice affirmative marketing steps designed to attract eligible local persons from all racial, ethnic and gender groups.

#### **D. REQUESTS FOR DISBURSEMENT OF PROPERTY**

The Town will make disbursements on a lot-by-lot basis, after each lot's acquisition, once Town staff has approved the construction plans, cost, and building schedule. Disbursement shall be made by a direct payment to the Developer, to defray the cost of the lot. The Town will contribute the following amounts:

1. \$58,907.16 to the acquisition of a portion of 510 Lee Street (the subdivided Lot 1, Dickerson Estates) Tax Map No. 257-12-1;
2. \$58,907.16 to the acquisition of the Dickerson lot (Lot 2, Dickerson Estates) Tax Map No. 257-12-2;

3. \$58,907.16 to the acquisition of the Price lot, 508 Roanoke Street, Tax Map No. 227-A-35;
4. \$29, 453.58 to the acquisition of the Bowles vacant lot, Tax Map No. 227-A- 49.

#### **E. REVERSION OF ASSESTS**

In the event of the expiration or termination of this contract, unless otherwise extended, any real property under the control of Developer that was acquired in whole or in part with Town and/or CDBG funds must be disposed of in a manner that results in the Town being reimbursed in the amount of Town and/or CDBG funds invested in the property.

#### **F. RECORDS AND REPORTS**

Developer shall maintain records in accordance with CDBG program requirements and in such manner as prescribed by the Town. The Town will have access to and the right to examine all records, books, papers or documents related to the project. Records shall be readily accessible to the Town and shall remain intact for a period of affordability and at least three years thereafter. The exception is if any litigation claim or audit is started before the expiration of this requirement and the records shall be retained until such action is resolved.

All project costs shall be supported by properly executed invoices, contracts or vouchers and be readily accessible upon request. Developer will report on the use of funds and the status of project activities. Developer shall provide income information and certifications for each successful and unsuccessful applicant in the program.

#### **G. ENFORCEMENT OF THE AGREEMENT**

This agreement may be suspended or terminated if Developer materially fails to comply with any term or condition of this contract. The Town may also terminate this contract for its convenience. The Town will periodically review each project to determine whether Developer has carried out the services stipulated in this agreement in compliance with governing regulations and has the capacity to continue to carry out those services in a timely manner. Sanctions and corrective actions may be appropriate for failure to comply including withholding all or part of a payment pending corrective actions or contract renegotiations or revocation. Should the Town be found in noncompliance of regulations governing the program and it is documented that actions or lack thereof on the part of Developer has caused this noncompliance notification Developer will be responsible for any monetary sanctions imposed on the Town by HUD or any other governmental or state entity.

## **H. DURATION OF THIS AGREEMENT**

The duration of this agreement shall correspond with the affordability period specified in Section B. In any event, all the services specified hereunder shall be completed on or before December 31, 2006, unless terminated or extended by the Town.

## **I. ELIGIBLE COSTS**

Town and/or CDBG funds provided to Developer under this agreement may be used to pay only those costs determined by the Town to be eligible under the CDBG Program and consistent with the terms of this agreement.

## **J. TERMINATION AND SUSPENSION**

If through any cause, Developer fails to comply with the terms, conditions or requirements of this agreement, the Town may terminate or suspend this agreement by giving written notice of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

In the event that the Town terminates this Agreement, it shall be entitled to a full refund of all Town and CIG (CDBG) grant monies expended directly upon its project activities as listed in Section A above, including, but not limited to, land acquisition contributions, and attorneys fees. The Town shall make written demand upon the Developer for the refund of these monies, which shall be due and payable within thirty days of the Developer's receipt of the demand. In the event the Developer fails to make full, timely payment, the Town may exercise its rights for breach of contract against the Letter of Credit.

Developer may terminate this Agreement with respect to the Lee Street lots, and it will be relieved of all obligations with respect to those lots, in the event that it cannot obtain title to the lots on or before December 31, 2004. In that event, the Developer shall notify the Town in writing of its failure to obtain the lots and its decision to terminate the Agreement in those respects within ten days of the deadline.

Developer may terminate this Agreement with respect to either of the Roanoke Street lots if it cannot obtain title to the lot or lots on or before September 15, 2005. However, the Developer's obligations with respect to the Roanoke Street lots are not contingent upon the acquisition of both of the lots. Therefore, its obligation to develop one lot is enforceable even if it cannot acquire both of the lots.

## **K. SUBSEQUENT CONTRACTS**

Any Contractor or Subcontractor who is employed by Developer to work on this project shall comply with all the lawful requirements of Developer necessary to insure the project is carried out in accordance with governing regulations and requirements. Developer shall remain fully obligated for the period of affordability specified in this contract in the event of the sale of Town and/or CDBG assisted property to a subsequent

homebuyer. Developer shall be responsible for developing a mechanism approved by the Town, which ensures compliance, by the initial homebuyer and any subsequent homeowners with the affordability requirements.

#### **L. CONFLICT OF INTEREST**

Developer will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties.

#### **M. LOBBYING**

Developer certifies that to the best of its knowledge and belief that no federal appropriated funds have been paid or will be paid, by or on behalf of Developer, to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

#### **N. AMENDMENTS**

This contract may be amended from time to time by the Town and Developer, at the request of the Town, and shall be subject to renegotiations if such amendment results in a change in the scope of services or compensation and method of payment. Upon mutual agreement, the Town Manager may shift funding as necessary so as to maximize the use of all available funds, so long as the shift in funding does not violate the terms of the Project funding.

#### **O. APPLICABLE LAWS**

This Contract shall be governed in all respects by the laws of the United States and the Commonwealth of Virginia.

#### **P. SECURITY.**

The Developer shall furnish to the Town a letter of credit (the "Letter of Credit") in the amount of three hundred thousand dollars (\$300,000) issued by a financial institution reasonably acceptable to the Town. Such Letter of Credit shall be maintained by the Developer until the Project Completion Letter has been issued by the Town Representative, and the failure by the Developer to maintain such Letter of Credit as required shall constitute an Event of Termination under Section J hereof. The Town shall have a security interest and perfected first lien in the Letter of Credit (and all proceeds, renewals and substitutes thereof) to assure that the Developer shall perform all of its

obligations set forth herein. Upon the occurrence of an Event of Termination under Section J hereof, the Town shall be entitled to present the Letter of Credit for payment.

**WITNESS THE FOLLOWING SIGNATURES:**

**TOWN OF BLACKSBURG, VIRGINIA:**

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Gary Huff  
Town Manager

**COMMUNITY HOUSING PARTNERS, INC.**

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Janaka Casper  
Executive Director